

INLAND CAPITAL
M A N A G E M E N T

INLANDCAP.COM

509.473.0096 | 253.642.6602

Inland Capital Fund B

OVERVIEW

Inland Capital Fund B is a no-load fund that writes short-term, first position loans secured by real estate. The goal of Fund B is to provide investors with a high-yield alternative investment while minimizing the risk of principal loss. Inland Capital Fund B LLC is a Washington limited liability company.

PHILOSOPHY

Inland Capital places a high level of importance on investor relations and transparency. Investors rely on accurate and timely reporting regarding the performance of the Fund(s), along with clear and concise communication updates concerning operations and strategy of the Fund. A core strength of the Inland Capital team is found in each team member's diverse experience in real estate markets. This knowledge and experience enhances the team's ability to understand a client's various needs for their specific project. The Fund management team has a strong background in real estate, banking, and financial management industries.

BUSINESS MODEL FOR INLAND CAPITAL

Inland Capital was formed to provide fast and secure financing for real estate professionals. Short-term loans are used to purchase, renovate, or improve a non-owner occupied residential or commercial property. The loan is repaid either through the sale of the collateral or by refinancing through traditional banking means. Loans terms are usually 12 months, carrying interest rates and origination fees above conventional financing norms. Inland Capital's weighted historical return is 17.7%.

There continues to be a demand for private money/bridge lenders due to traditional lenders (banks and credit unions) may not have capacity or desire to lend on distressed real estate. This is due to the condition of the property, the expediency of the closing, or some other extenuating circumstance.

Traditional lenders may lend on distressed real estate on rare occasions and they will primarily deal with high net worth customers. However, the market is strong with solid smaller real estate borrowers with extensive industry experience. Traditional lenders are also notorious for increasingly longer processing times, when many purchase transactions require quick response and funding time frames.

UNDERWRITING

Inland Capital lends to borrowers that are purchasing assets that have profit potential. When clients are purchasing and rehabilitating undervalued real estate, they create an environment for sustainability and business longevity. Potential properties are evaluated, case by case, on the potential profit margin and/or performance value for income generation through rents. Our underwriting philosophy considers the current real estate market value, not speculative appreciation.

Below is a sample of underwriting criteria used to evaluate loans:

- Current LTV (Loan to Value)
- Down Payment Amount
- Property location and type
- Borrower Liquidity
- Loan to estimated ARV (After Repair Value)
- Borrower experience and rehab experience
- Credit Score
- Market Supply and Demand

GENERAL INFORMATION

Inland Capital Management
2607 S Southeast Blvd Suite A100
Spokane, WA 99223
(509) 473-0096

www.inlandcap.com
info@inlandcap.com

FUND B - TERMS

Preferred Payments 6% APY –
paid quarterly for A – E Units
Units on Distributable Cash Split from 20%-55%

Units of Class A, B, C, D and E
(the "A-E Units") in Fund B.

The A-E Units will be issued pursuant to our operating agreement. Holders of the A-E Units will be required to meet minimum requirements for each Class of membership to qualify for the purchase of the desired Class of membership. The specific requirements for each Class are listed in the following table:

CLASS TYPE	MINIMUM INVESTMENT	NON-REDEMPTION TERM	Target Total Return %
A	\$1,000,000	24 MONTHS	9.5%
B	\$750,000	24 MONTHS	8.25%
B	\$500,000	36 MONTHS	8.25%
B	\$250,000	48 MONTHS	8.25%
C	\$500,000	24 MONTHS	7.25%
C	\$250,000	36 MONTHS	7.25%
C	\$100,000	48 MONTHS	7.25%
D	\$500,000	12 MONTHS	6.50%
D	\$250,000	24 MONTHS	6.50%
D	\$100,000	36 MONTHS	6.50%
E	\$100,000	6 MONTHS	6.00%

*Accredited Investors

Inland Capital Fund B

FUND B

LOAN SERVICING

Inland Capital services the debt of the Funds and does not sell notes to 3rd parties, which is common with our competitors. By servicing our own debt, it strengthens the relationships with the borrowers, which generates a high percentage of repeat borrower business.

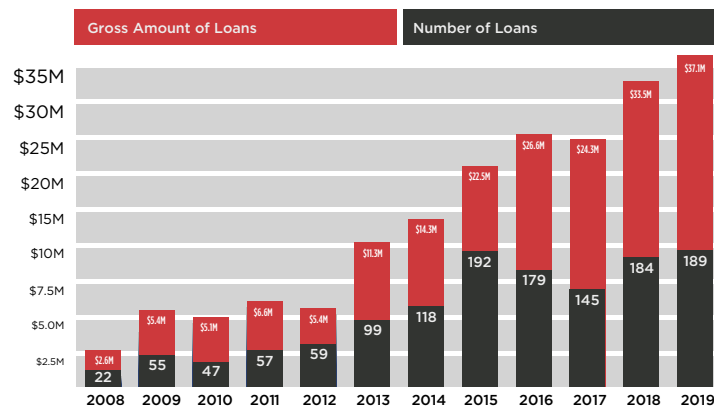
FUND A PORTFOLIO AS OF 12/31/2019

Inland Capital Originations	Units	\$ Million
Loans Since Inception	1,372	\$190
Loans Repaid	1,248	\$165.2
Active Loans	123	\$24.8
Current REO	0	0
Average Loan Duration	7.5 months	
Average Loan Amount	\$206,134	

*These numbers and figures are updated as of 12/31/2019

Loan Distribution	State	Percentage	Total \$
	Washington (90)	73.17%	\$18,310,563
	Oregon (20)	16.26%	\$4,133,666
	Idaho (13)	10.57%	\$2,391,748
	Total Outstanding (123)		\$24,835,977
	Repeat Clients: 47 = 54%		
	Average # per Client: 1.375 loans		
	Average # per Repeat Client: 1.72 loans		

INLAND CAPITAL ANNUAL LOAN VOLUME AND LOAN ORIGINATIONS



PRODUCTS FOR ACCREDITED INVESTORS

FUND A	FUND B
Leveraged 1:1 Ratio	Minimal Leverage
Limited to 10% Commercial	Increased Commercial Capacity
WA, ID, OR only	Open Geographic Limits
Flat Rate of Return	Flat Return + Profit Split

FUND A

A 506(b) fund started in July 2017, named Inland Capital Fund A. Fund A was limited to originating residential “fix n flip” loans in Washington, Oregon, and Idaho. Although, 10% of the portfolio could be designated for commercial loans. The two years that Fund A was open it successfully raised just over \$15 million while being leveraged 1:1 with a local financial institution. Leveraging increased the lending capacity of Inland Capital to nearly \$30 million. Fund A continues to fund loans but closed on 6/30/2019 to new investor dollars.

FUND B

Fund B is managed by the same team utilizing the same lending infrastructure as Fund A. The same diligent underwriting approach will apply, although Fund B will not be limited geographically, and will not be limited to residential properties. By entering new geographic real estate markets, it provides new niche opportunities to continue the Inland Capital growth trajectory. Fund B will use minimal leverage, and multiple investment options are available based on the investment amount and length of time funds are placed with Inland Capital.

Inland Capital Fund B

HISTORY OF INLAND CAPITAL LLC

In 2001, Aaron Cunningham and John Urquhart met in the Seattle area when both were beginning their real estate careers working at the same real estate sales office. A friendship began and business partnership followed shortly after.

Their first project was a courthouse foreclosure in rural King County (Seattle) purchased for \$183,000. The new partners tracked this home at auction for over 6 months. When it came time to purchase the property, they needed deeper pockets, so they financed the project with family and friends. After rehabbing the property for \$42,000 and making an \$80,000 profit, they were hooked. As they became comfortable with their fix n flip business, they understood the need to use a lender. Their future business model was formed as they successfully purchased and sold over 200 properties. Their financial success created an opportunity for them to start their own lending business along with other complimentary real estate businesses.

MANAGEMENT

Inland Capital places a high level of importance on investor relations and transparency. Investors rely on accurate and timely reporting regarding the performance of The Fund(s), along with clear and concise communication updates concerning operations and strategy of The Fund. A core strength of the Inland Capital team is found in each team member's Diverse experience in real estate markets. This knowledge and experience enhances the team's ability to understand a client's various needs for their specific project. The Fund management team has a strong background in real estate, banking, and financial management industries.

Aaron Cunningham is a co-founder and the chief executive officer of the Managing Member and the Inland Capital companies. He has held these positions since the establishment of Inland Capital LLC in 2009. Mr. Cunningham attended Green River Community College in 1999 and Prairie Bible College in 2001. In 2002, Aaron began buying and selling real estate while building a rental portfolio for himself, and during this time he trained others to buy and sell distressed real estate. In 2003, he met John Urquhart and formed a friendship and business partnership that as is the catalyst to form Inland Capital.

Mr. Cunningham continues to own and maintain his personal portfolio of single family, multi-family, commercial, is currently involved in commercial development. He is also a founder of Citibrokers LLC, which is a residential real estate brokerage firm in Spokane, WA. When he is not busy with work, Aaron enjoys time with his wife and children. They spend quality time at the lake, boating, golfing and snow skiing in the winter. He's also very involved with activities with his church family.

John Urquhart is a co-founder and president of the Managing Member and the Inland Capital companies. He has held these and other executive level positions since the establishment of Inland Capital LLC 2009. Mr. Urquhart graduated from the University of Montana in 1988 with a Bachelor of Sciences degree in computer science. After college, he joined spent 15 years at Boeing where he helped to build and manage payroll processing and tracking systems. At the end of his Boeing career, John began selling real estate part time to help family and friends.

Mr. Urquhart is active in commercial development for himself by building casual dining and fast food restaurants. He maintains his personal 30 door rental portfolio. When John is not busy at work, he enjoys dirt biking, camping, skiing, golfing, as well as basketball officiating. John has officiated high school boys and girls basketball for over 20 years.

Inland Capital Fund B

FUND B

ESTIMATED ANNUAL DISTRIBUTION SCENARIO

Average Total Investor Capital (IC):	\$20,000,000.00						
Average Loan Originations:	\$30,000,000.00						
Estimated Gross Income:	\$3,000,000.00						
Estimated Expenses:	\$(500,000.00)						
Estimated Net Profit:	\$2,500,000.00						
Preferred Payments (6%):	\$(1,200,000.00)						
Estimated Net Distributable Cash (NDC):	\$1,300,000.00						

Totals By Class	IC \$'s	% of Total IC	x	Est NDC	=	NDC By Class	+
Class A - Investor Capital	\$6,000,000.00	30%		\$1,300,000.00		\$390,000.00	
Class B - Investor Capital	\$9,000,000.00	45%		\$1,300,000.00		\$585,000.00	
Class C - Investor Capital	\$2,000,000.00	10%		\$1,300,000.00		\$130,000.00	
Class D - Investor Capital	\$2,000,000.00	10%		\$1,300,000.00		\$130,000.00	
Class E - Investor Capital	\$1,000,000.00	5%		\$1,300,000.00		\$65,000.00	
	\$20,000,000.00	100%				\$1,300,000.00	

Assumes all investors held their units from 1/1-12/31

Individual Investor Scenarios	Investment Amt	% of Class	x	Class Portion of NDC	=	Investor NDC	+
Class A - Investor	\$1,000,000.00	16.67%		\$214,500.00		\$35,750.00	
Class B - Investor	\$750,000.00	8.33%		\$263,250.00		\$21,937.50	
Class C - Investor	\$500,000.00	25.00%		\$39,000.00		\$9,750.00	
Class D - Investor	\$250,000.00	12.50%		\$26,000.00		\$3,250.00	
Class E - Investor	\$100,000.00	10.00%		\$3,250.00		\$325.00	

Assumes all investors held their units from 1/1-12/31

Totals By Class	Distribution Split %	=	Class Portion of NDC	+	Preferred Payments	=	Est Total Return \$	Est Total Return %
Class A - Investor Capital	55%		\$214,500.00		\$360,000.00		\$574,500.00	9.58%
Class B - Investor Capital	45%		\$263,250.00		\$540,000.00		\$803,250.00	8.93%
Class C - Investor Capital	30%		\$39,000.00		\$120,000.00		\$159,000.00	7.95%
Class D - Investor Capital	20%		\$26,000.00		\$120,000.00		\$146,000.00	7.30%
Class E - Investor Capital	5%		\$3,250.00		\$60,000.00		\$63,250.00	6.33%
			\$546,000.00		\$1,200,000.00		\$1,746,000.00	

Individual Investor Scenarios	Investor Preferred Pmt	=	Est Total Investor Rtn \$	Est Total Rtn %
Class A - Investor	\$60,000.00		\$95,750.00	9.58%
Class B - Investor	\$45,000.00		\$66,937.50	8.93%
Class C - Investor	\$30,000.00		\$39,750.00	7.95%
Class D - Investor	\$15,000.00		\$18,250.00	7.30%
Class E - Investor	\$6,000.00		\$6,325.00	6.33%

FOR ANY FURTHER INQUIRIES ON INLAND CAPITAL FUND B - PLEASE CONTACT:

Chris Vincent chris@inlandcap.com | **Aaron Cunningham** aarond@inlandcap.com